

MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS

August 27, 2002 - 10:00 A.M.

**8th & Main Building, 3rd Floor Conference Room
Richmond, Virginia**

- I. Voting members present: Larry Roach, Andrew Brownstein, Leon Moore, Joe Underwood, Jim Cheng, Rick Brown, Hanif Akhtar, and Bob Young (for Jody Wagner). Others Present: Mike Eisenman, William Diamond, Scott Parsons, Anna Mackley Cobb, Mark Heede, Brett Sheffield, Thadd Kezar, Patricia Morris, Faustine Dye, and Barbara Carter.

Vice Chairman Larry Roach called the meeting to order and introductions were made around the room on behalf of two new board members. Scott Parsons announced the resignation of board member, David Bernabucci. The board was also informed that we are waiting for the Governor to appoint a replacement for Mr. Bernabucci, as well as appoint a new Board chairman.

- II. Minutes - On a motion by Joe Underwood, seconded by Bob Young, the minutes of the June 25, 2002 Board of Directors - Loan Business Meeting were unanimously approved. (Mr. Akhtar was not present for the vote.)

III. Industrial Development Bond Projects

- A. Gaithersburg Cabinetry and Millwork Company, Inc. - Fauquier County - \$1,600,000 IDB. Anna Mackley Cobb reviewed for the Board this application for IDBs to finance the construction and equipping of a new manufacturing facility.

IV. PUBLIC HEARING

- A. Gaithersburg Cabinetry and Millwork Company, Inc.- Fauquier County - \$1,600,000 IDB. On a motion by Rick Brown, seconded by Joe Underwood, the Board unanimously adopted an inducement resolution authorizing the issuance of industrial development revenue bonds to finance the construction and equipping of a new manufacturing facility.

V. Economic Development Revolving Loan Fund Applications

- A. Knauss Snack Foods, LLC - Henry County - \$1,000,000. On a motion by Joe Underwood, seconded by Rick Brown, the Board of Directors unanimously approved a \$1,000,000 loan through the Economic Development Revolving Loan Fund to finance a manufacturing facility.

VI. Conflict of Interest Presentation - Assistant Attorney General William Diamond presented information on the Conflict of Interest Act to the members of the Board of Directors and staff.

VII. Loan Guaranty Applications

- A. Knauss Snack Foods, LLC - Henry County - \$300,000. On a motion by Joe Underwood, seconded by Rick Brown, the Board of Directors unanimously approved a 75% guaranty (\$300,000 maximum) on a \$1,500,000 term loan to be extended by Wilmington Trust Bank in Pennsylvania.
- B. Quantum Leap, LLC T/A Pacific Beverage - Chesterfield County - \$300,000. On a motion by Bob Young, seconded by Hanif Akhtar, the Board of Directors unanimously approved a 75% guaranty (\$300,000 maximum) of: 1) a \$200,000 revolving line of credit; and 2) a \$250,000 3-year term loan, to be extended by Peoples Bank of Virginia in Richmond.
- C. Stone Mountain, Ltd. - Bedford County - \$300,000. On a motion by Jim Cheng, seconded by Rick Brown, the Board of Directors unanimously approved a 75% guaranty (\$300,000 maximum) of a \$500,000 revolving line of credit extended by First-Citizens Bank & Trust Co. in Roanoke.
- D. American Machining Services of Virginia, Inc. - Pulaski County - \$75,000. On a motion by Rick Brown, seconded by Bob Young, the Board of Directors unanimously approved the renewal of VSBFA's 75% guaranty of a \$100,000 line of credit extended by First National Bank in Christiansburg.

VIII. Other Business

- A. Settlement of Guarantor's Obligation - On a motion by Joe Underwood and seconded by Rick Brown, the Board of Directors unanimously approved a settlement offer between VSBFA and one of the guarantors on a loan with WFW, Inc. to forgive the outstanding debt.
- B. Ratification of Virginia Capital Access Program Claims - On a motion by Andrew Brownstein, seconded by Rick Brown, the Board of Directors unanimously approved the ratification of the payment of three claims under the Virginia Capital Access Program for the benefit of Branch Banking and Trust (BB&T).

- IX. Adjourn - On a motion by Rick Brown, seconded by Joe Underwood, the meeting was adjourned.